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RUEATRS/DEPT OF TREASURY WASHDC

C O N F I D E N T I A L JERUSALEM 001280

SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR GOLDBERGER; NSC FOR  
PASCUAL; TREASURY FOR ROSE

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SUBJECT: SAGA OF BETHLEHEM STONE EXPORTS CONTINUES

REF: A) JERUSALEM 1191 B) JERUSALEM 1051

Classified By: Acting Principal Officer Jessica Lapenn for reasons 1.4  
(b), (d)

¶1. (C) The on-again, off-again ability of Bethlehem stone exporters to use a crossing point near the city (reftels) is apparently off again. According to Ihab Khalil, Executive Manager of "the Union of Stone and Marble in Palestine," Israeli soldiers manning the crossing point near Bethlehem began refusing transit for container trucks beginning July 10, just two weeks after the Coordinator of Government Activities in the Territories (COGAT) lifted a similar ban. Khalil said the GOI is requiring Bethlehem's stone/marble export containers to pass through Tarqumiya, a commercial crossing 40 kilometers to the south, where they undergo scanning and are transferred to Israeli trucks by the "back-to-back" system.

¶2. (C) Khalil said industry and local government representatives are in continuous discussions with GOI representatives to seek relief and are disappointed that the measures were reimposed after the industry believed it had a firm agreement with COGAT. Samir Dahdal of Nassar Stone Group, the West Bank's leading stone/marble exporter, said his company has suspended all but the most urgent export container shipments. Dahdal said the continuing uncertainty over the shipping route is undermining Nassar's business, which depends on reliable delivery to export markets. "We never know what's going on, and we can never depend on anything," said Dahdal.

¶3. (U) A survey of exports through Tarqumiya and other southern West Bank crossing points can be found on ConGen Jerusalem's unclassified intelink site at:  
[http://www.intelink.gov/communities/state/pal\\_econ](http://www.intelink.gov/communities/state/pal_econ).  
LAPENN